SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement (the "Agreement") is entered into and made effective as of the date of the last signatory below (the "Effective Date"), by and between the Township of Montclair on behalf of itself, the Mayor and Council of the Township of Montclair, and the Clerk of the Township of Montclair (collectively as the "Township"), on the one hand, and the Township of Montclair Committee of Petitioners (the "Committee") and the Montclair Property Owners Association (the "MPOA," together with the Committee, as the "Petitioners"), on the other hand. The Township, Committee, and MPOA, may each also be referred to herein individually as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, the Petitioners commenced an action in the Superior Court of New Jersey, Law Division, Essex County on April 16, 2020, styled Township of Montclair Committee of Petitioners and the Montclair Property Owners Association v. Township of Montclair; Mayor and Council of the Township of Montclair; and State of New Jersey, bearing Docket No. ESX-L-002724-20 (the "Litigation"), which sought to enjoin the effective date of the Township's Ordinance O-20-05, amending the Code of the Township of Montclair to include Chapter 257 Rent Regulation (the "Ordinance"), and tolling the time limitations prescribed by N.J.S.A. 40:69A-185 to collect sufficient signatures to effect a referendum.

WHEREAS, the Petitioners amended their Complaint in the Litigation on November 2, 2020, to include the Clerk of the Township of Montclair as a defendant and to compel the Clerk of the Township of Montclair to certify the Petitioners' Petition for Referendum (the "Referendum Petition") concerning the Ordinance.

WHEREAS, the Petitioners again sought to amend their Complaint in the Litigation on March 1, 2022, seeking to strike down and enjoin the Township's Rent Increase Moratorium enacted by Ordinance O-20-08 on May 19, 2020, and subsequently extended by Ordinance and Resolutions, O-20-20 on August 3, 2020, O-20-24 on January 5, 2021, R-21-046 on March 16, 2021, R-21-124 on June 22, 2021, R-21-189 on September 29, 2021, R-21-228 on December 7, 2021, and R-22-051 on March 15, 2022 (the "Moratorium").

WHEREAS, the Township certified the Referendum Petition on March 9, 2022; and on March 15, 2022, the Township of Montclair via its Counsel did not repeal the Ordinance.

WHEREAS, the Petitioners had until Friday, March 25, 2022, to withdraw the petition, which, if not done, would have resulted in the Ordinance being placed on the ballot for adoption or rejection by the Township voters pursuant to N.J.S.A. 40:69A-192.a.

WHEREAS, on March 21, 2022, the Petitioners agreed with the Tenants Organization of Montclair Advocacy Group (the "Tenants Group") and Montclair Housing Commission ("MHC") to a compromise Rent Control Ordinance (the "Compromise Ordinance") that would repeal, replace, and supersede the Ordinance and terminate the Moratorium.

WHEREAS, the Compromise Ordinance has been presented to the Township for consideration and adoption.

WHEREAS, in order to avoid the respective costs, expenses, and risks of the Litigation that each Party would incur, the Parties desire to and have agreed to compromise and settle any and all claims that have been or could have been raised in the Litigation in conformance with the terms set forth below and without making any admission as to liability, damages, and/or the merits of any claims and/or defenses regarding the same that have been raised thus far and/or could have been raised or asserted by the Parties in the Litigation.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, and for other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged by each Party, the Parties collectively agree as follows

1. Recitals. The recitals set forth above (i.e., the "Whereas" paragraphs) are incorporated herein by reference and made a part hereof, as if set forth at length herein. To the extent there exists any conflict or inconsistency between the recitals and the terms of this Agreement below, the terms of this Agreement below shall prevail. Notwithstanding the foregoing, no Party admits or concedes the truth or veracity of the recitals or to any liability, wrongdoing, or damages implied thereby.

2. Adoption of the Compromise Ordinance. The Township agrees to adopt the Compromise Ordinance, a copy of which is attached hereto as **Exhibit 1**, as soon as practical after the Effective Date. To that end, the Township: will introduce the Compromise Ordinance for a first reading and public comment thereon at the next Township Council Conference Meeting presently scheduled for April 5, 2022; and will conduct a second reading of the Compromise Ordinance, permit public comment thereon, and thereafter adopt the Compromise Ordinance at the Township Council Regular Meeting presently scheduled for April 19, 2022. Should there be any scheduling or other issues preventing the aforementioned from going forward on those dates, the Township will move forward to adopt the Compromise Ordinance as soon as practical thereafter.

3. Withdrawal of the Referendum Petition. The Petitioners will withdraw the Referendum Petition by 4:30 pm on Friday, March 25, 2022.

4. Dismissal of the Litigation. The Petitioners will dismiss the Litigation without prejudice and without costs to any Party within five (5) business days of the Effective Date and will submit a Consent Order dismissing the Litigation with prejudice and without costs to any Party within five (5) business days of adoption of the Compromise Ordinance.

5. Settlement Payment. In exchange for Petitioners dismissing the Litigation with prejudice and abandoning all claims in the Litigation, including but not limited to their application for reasonable attorneys' fees and costs, the Township agrees to pay the lesser of the following (the "Settlement Payment"): One Hundred Twenty Thousand Dollars and Zero Cents ($120,000.00); or forty percent (40.00%) of the reasonable attorneys' fees and costs incurred by Petitioners in the Litigation relating solely to Petitioners' claims to compel the Clerk of the Township of Montclair to certify the Referendum Petition. The Settlement Payment will be paid within thirty (30) calendar days after expiration of the estoppel period following the adoption of the Compromise Ordinance and receipt of a completed form W-9 as follows:

a. Fifty-percent (50.00%) to be paid to Brach Eichler, LLC to defray the costs the Petitioners incurred in the Litigation; and

b. Fifty-percent (50.00%) to be paid to the MHC for the purposes and uses as set forth in Paragraph 6 below.

6. Residential Rent Relief Fund. Half of the Settlement Payment shall be used only to establish and fund an aid program (the "Relief Fund") to be administered by the MHC solely for the purpose of providing monetary relief to residential tenants located within the Township who demonstrate a genuine need or hardship in their ability to meet their rental obligations, which shall be determined in the sole and exclusive authority of the MHC. For residential tenants who qualify for such assistance, any payments from the Relief Fund authorized by the MHC shall be paid directly to the tenant's landlord and not to the tenant. To the extent there are any funds left in the Relief Fund twenty (20) years from the Effective Date, such funds shall be remitted to the Township for use in its general budget.

7. Mutual Specific Releases. Each Party and its respective affiliates, agents, assigns, associates, attorneys, consultants, directors, divisions, employees, fiduciaries, heirs, insurance carriers, lawyers, managers, members, officers, owners, parent companies, partners, predecessors, reinsurance carriers, representatives, stockholders, subsidiaries, subsidiary companies, successors, supervisors, sureties, and all persons acting by, through, under, or in concert with them, whether past or present (the "Releasing Parties"), do hereby knowingly, voluntarily, and irrevocably remise, release, rescind, waive, relinquish, dismiss, and forever discharge the other Party and the other Party's affiliates, agents, assigns, associates, attorneys, consultants, directors, divisions, employees, fiduciaries, heirs, insurance carriers, lawyers, managers, members, officers, owners, parent companies, partners, predecessors, reinsurance carriers, representatives, stockholders, subsidiaries, subsidiary companies, successors, supervisors, sureties, and all persons acting by, through, under, or in concert with them, whether past or present (collectively, the "Released Parties"), of and from any and all claims, obligations, losses, liabilities, penalties, suits, grievances, charges, controversies, actions, causes of action, complaints, cross-claims, counterclaims, demands, debts, indemnities, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for interest, costs, and attorneys' fees, or liabilities of any nature whatsoever in law and in equity, whether arising under local, state, or federal law, regulation, or ordinance, or under any public policy, contract or tort theory, or under common law, whether known, unknown, suspected, foreseen, unforeseen, certain, contingent, or claimed against any of the Released Parties which the Releasing Parties, or any of the Releasing Parties' heirs, executors, administrators, successors, or assigns, ever had, now have, or which any of them, hereafter can, shall, or may have had against the Released Parties from the beginning of time through the Effective Date of this Agreement that was asserted in or could have been asserted in the Litigation (including but not limited to seeking recovery of attorneys' fees and costs incurred in the Litigation) and/or that arose from or pertained to any act, omission, circumstance, or however related to the Litigation, Ordinance, Referendum Petition, and/or Moratorium. Notwithstanding the aforementioned, nothing herein shall release any Party from any obligations under this Agreement and/or release any claims based thereon.

8. Severability. This Agreement shall be construed as a whole, according to its fair meaning, and not in favor or against any Party. If any provision of this Agreement is held by a

court of competent jurisdiction to be invalid, illegal, unenforceable or void, such provision shall be enforced to the greatest extent permitted by law, and the remainder of this Agreement shall remain in full force and effect and the enforceability of such remaining provisions shall not in any way be affected or impaired thereby. If any one or more of the provisions contained in this Agreement shall, for any reason be held to be excessively broad, it shall be construed, by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it shall then appear. However, if any of the releases contained in this Agreement are found by a court of competent jurisdiction to be invalid or unenforceable, all Parties agree, promptly upon the request of any other Party, to execute a new release that is valid and enforceable.

9. Governing Law and Jurisdiction. This Agreement shall be construed and interpreted in accordance with the laws of the State of New Jersey, without reference to its conflicts of laws. Any controversy or claim arising out of or relating to this Agreement, or any alleged breach thereof, shall be exclusively settled by the Superior Court of New Jersey, in and for the County of Essex. The Parties agree and consent that the sole and exclusive jurisdiction and venue for any and all controversies or claims arising out of or related to this Agreement shall be the Superior Court of New Jersey, in and for the County of Essex. Each Party consents to the exercise of personal jurisdiction over each such Party by the Superior Court of New Jersey, in and for the County of Essex to the fullest extent permitted by law, and each Party expressly waives any objections to jurisdiction or venue.

10. Consultation with Legal Counsel. Each Party acknowledges and agrees that it: (a) has had a full, fair, and complete opportunity to review and evaluate this Agreement and to confer with legal counsel concerning the terms of this Agreement; (b) has been advised to confer with legal counsel of its choosing concerning the terms of this Agreement; (c) has negotiated the terms of this Agreement at arms-length; (d) is fully aware of the contents of this Agreement; (e) enters into this Agreement freely, voluntarily, without duress or coercion, and based upon his or its own judgment and wishes; (f) has relied on the advice of its own attorneys, to the extent applicable, in entering into this Agreement; and (g) has not acted in reliance upon any representation or promise made by any other Party (or its representative or counsel) except and only as specifically stated herein. **IF ANY PARTY EXECUTES THIS AGREEMENT WITHOUT HAVING CONSULTED WITH LEGAL COUNSEL, THAT PARTY WAIVES THE RIGHT TO ASSERT THAT THIS AGREEMENT SHOULD BE DEEMED UNENFORCEABLE DUE TO THE LACK OF ADVICE FROM COUNSEL.**

11. No Admission of Wrongdoing. The Parties acknowledge and agree that nothing contained herein shall be construed as an admission of wrongdoing by any Party and that no Party admits to any wrongdoing. Each Party expressly denies all allegations of wrongdoing or liability. Neither the execution of this Agreement, nor any term therein or the provision of any consideration pursuant thereto, is intended as, or shall be construed as, an admission of any liability or responsibility at any time or for any purpose whatsoever, except as to enforce the terms of this Agreement by and against any of the Parties.

12. Agreement to Cooperate. The Parties agree to cooperate fully and in good faith and to execute any and all additional documents and to take any additional actions that are necessary to give full force and effect to the terms of this Agreement, but in no event shall any Party be required to incur costs in excess of $500.00 in furtherance of this Paragraph.

13. Ambiguities. This Agreement shall be deemed to have been drafted jointly by all Parties, and each Party agrees that this Agreement shall not be subject to the principle or rule of construction that any ambiguities herein shall be construed against the drafter of the Agreement or any particular provision thereof.

14. Binding Effect. This Agreement shall inure to the benefit of the Parties hereto, and their respective administrators, executors, representatives, employees, directors, trustees, attorneys, parent companies, subsidiary companies, affiliated entities, heirs, successors, and assigns.

15. Waiver. The Parties agree that no waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar. No waiver shall constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Party charged with the waiver. Neither the failure nor any delay by any Party in exercising any right, power, or privilege under this Agreement will operate as a waiver of such right, power, or privilege.

16. Headings. All headings set forth in this Agreement are intended for convenience only and shall not control or affect the meaning, construction, or effect of this Agreement.

17. Amendment. Any modification or amendment to this Agreement must be in a writing signed by the Parties hereto and stating the intent of the Parties to modify or amend this Agreement. No modification of or amendment to this Agreement shall be binding or enforceable without the prior written consent of the Parties.

18. Entire Agreement. The Parties agree that this Agreement is fully integrated and that there are no additional promises, assurances, agreements, covenants, representations, or warranties, express or implied, oral or written between the Parties other than those written in this Agreement and that this Agreement constitutes the entire agreement and understanding of the Parties. This Agreement embodies the full, final, and entire agreement of the Parties and supersedes any and all prior or contemporaneous conversations, negotiations, possible and alleged agreements, commitments, executed agreements, representations, covenants, warranties, and understandings, whether written or oral, express or implied, all of which are expressly merged herein. This Agreement is intended by the Parties as a final and complete expression of the terms of the Agreement between them and supersedes and cancels any prior or concurrent agreement between the Parties.

19. Authorization. The signatories to this Agreement represent and warrant that each of them is authorized to enter into this Agreement on behalf of the persons or entities for whom they are signing and they further acknowledge that the Parties have reasonably relied upon the signatories representations of authority.

20. Notices. All notices and other communications required or permitted to be given or made upon any Party with respect to the Agreement shall, except as otherwise expressly herein provided, be in writing (including telexed, telegraphic, telecopied, delivered to counsel, emailed or facsimile communication) and mailed (by first class, United States mail, postage prepaid) and emailed, as follows:

If to Petitioners: Paul J. Burr, Esq.
Township of Montclair
205 Claremont Avenue
Montclair, New Jersey 07042
Tel.: (973) 509-4934
pburr@montclairnjusa.org

With a copy to: Derrick R. Freijomil, Esq.
Riker, Danzig, Scherer, Hyland & Perretti LLP
Headquarters Plaza
One Speedwell Avenue
Morristown, NJ 07962-1981
Tel.: (973) 451-8580
Fax: (973) 451-8622
dfreijomil@riker.com

If to Petitioners: Charles X. Gormally, Esq.
Brach Eichler LLC
101 Eisenhower Parkway
Roseland, New Jersey 07068
Tel.: (973) 403-3111
Fax: (973) 618-5511
CGormally@bracheichler.com

21. Counterparts, Facsimile, and Electronic Signatures. This Agreement may be executed in multiple counterparts by the Parties hereto and the Parties agree to accept facsimile, electronic, or .PDF signatures in lieu of original signatures. All counterparts so executed shall constitute one agreement binding upon all Parties, notwithstanding that all Parties are not signatories to the original or the same counterpart. Each counterpart shall be deemed an original to this Agreement, all of which shall constitute one agreement to be valid as of the Effective Date. Documents executed, scanned, and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures. This Agreement and any other document necessary for the consummation of this Agreement, may (but need not) be accepted, executed, or agreed to through the use of an electronic signature in accordance with the Electronic Signatures in Global and National Commerce Act ("E-Sign Act"), Title 15 U.S.C. §§ 7001, et seq., the Uniform Electronic Transaction Act ("UETA"), and any applicable state law. This Agreement and any document accepted, executed, or agreed to in conformity with such laws or with this Paragraph shall be binding on each Party as if it were physically executed.

22. Cumulative Rights. All rights of any Party under this Agreement are cumulative and may be exercised concurrently or consecutively at the option of the appropriate Party.

23. Reliance. This Agreement is not to be relied upon by third-parties, and it carries with it no precedential value and cannot be relied upon by any person or entity as evidence of any

obligation by any Party other than the obligations contained herein. The Parties agree that there are no intended third-party beneficiaries of this Agreement.

IN WITNESS WHEREOF, the Parties having read, understood, and agreed to the terms of this Agreement, knowingly and voluntarily execute this Agreement as of the dates set forth below.

TOWNSHIP OF MONTCLAIR COMMITTEE OF PETITIONERS

By: ______________________

Name: CHARLES X. GORMALLY

Title: ______________________

Dated: MARCH 25, 2022

TOWNSHIP OF MONTCLAIR

By: ______________________

Name: Timothy Stafford

Title: Township Manager

Dated: May 17, 2022

MONTCLAIR PROPERTY OWNERS ASSOCIATION

By: ______________________

Name: Ronald Simoncini

Title: Executive Director

Dated: March 25, 2022